

Attachment 1 to
PSC-M-42
13 August 1956

The EIC Subcommittee on Petroleum

Annual Report

Fiscal Year 1955-56

A. Activities during FY 1956.

1. Review of the Intelligence Product.

The Subcommittee considers the intelligence product to be consistent with the missions and responsibilities of member agencies. The Subcommittee also noted that the usefulness of the product has been affected in varying degrees by the dynamic nature of economic intelligence.

2. Research and Collection Deficiencies.

The Priority Research Gaps which have been identified by the PSC are included in EIC-S-1/4, 14 January 1954. The Subcommittee recognizes the need for revision of the existing list and a review of gaps is scheduled for an early Subcommittee meeting.

During the period under review member agencies conducted the following research which would serve to fill identified intelligence gaps:

Air Force

Petroleum and Synthetic Fuel Refining - Communist China
Output of Refined Petroleum Products in the USSR
Capacity and Distribution of Soviet Petroleum Storage
Facilities
Refineries in the USSR

CIA

Pipelines in the USSR
Petroleum in Communist China
Petroleum Production in the Sino-Soviet Bloc
Civil Consumption of Petroleum Products in Rumania

3. Review of Substantive Papers.

The Subcommittee reviewed, formally and informally, about five (5) member agency papers during FY 1956. Those papers which contained material of common interest to all members were reviewed in Subcommittee

meetings. Those papers which contained material of interest to only certain members were reviewed and coordinated with such members on an informal basis.

A list of substantive papers reviewed and/or coordinated by the Subcommittee follows:

<u>Title</u>	<u>Agency</u>
Petroleum Situation in the Communist Far East	Army (ACSI)
Communist China's Petroleum Refining and Synthetic Fuels Industry, (Air Target Study, AIS-3-23)	Air Force
Test to the Survival of Trade and Shipping Controls on Petroleum to China	State
Petroleum in the USSR	CIA
Petroleum in Communist China	CIA
Production of Petroleum Components in the Sino-Soviet Bloc, 1945-1960	CIA

4. Review of Proposals for External Research.

No proposals for external research were brought to the attention of the Subcommittee during FY 1956.

5. Maintenance of Agreed Basic Statistics.

The Subcommittee developed agreed basic statistics covering selected elements of the petroleum economy of each country of the Sino-Soviet Bloc for the years 1950 through 1954. Although the Subcommittee plans to effect annual updating there are no plans to expand the scope of these statistics.

6. Projects Undertaken at the Request of the EIC or Proposed to the EIC.

In FY 1955 the EIC approved a Subcommittee request to develop estimates of military petroleum consumption for countries of the Bloc. During FY 1956 the Subcommittee prepared and published:

Military Consumption of Petroleum Products, Sino-Soviet Bloc, 1950-1955, EIC-PSG-MPI (formerly EIC-P-10),
1 April 1956

7. Intelligence Research Techniques.

Subcommittee has nothing to report.

8. Special Coordination Function of the Subcommittee.

No distinction is made between the "normal" and "special" coordination functions of the Subcommittee.

9. Evaluation of the Role of the Subcommittee.

Although the Subcommittee has not reached its full potential as a vehicle for improving economic intelligence research, accomplishments during the past year suggest that the Subcommittee is approaching such a goal. The PSC continues to serve as a convenient and useful medium for inter-agency coordination.

B. Future Program of the Subcommittee.

No changes are anticipated in the existing program of the Subcommittee. A review of the activities of the Subcommittee during FY 1956, suggests that a continuation of such activities would be consistent with the EIC Subcommittee functions outlined in EIC-D-123.